SECOND PROSPECTUS SUPPLEMENT DATED 12 MAY 2021

TO THE BASE PROSPECTUS DATED 12 JUNE 2020

AGENCE FRANÇAISE DE DÉVELOPPEMENT
EURO 50,000,000,000
Euro Medium Term Note Programme
with or without the guarantee of the Republic of France

This supplement (the "**Second Prospectus Supplement**") is supplemental to, and should be read in conjunction with, the Base Prospectus dated 12 June 2020 granted approval no. 20-252 on 12 June 2020 by the *Autorité des marchés financiers* (the "**AMF**") (the "**Base Prospectus**") as supplemented by a first supplement thereto dated 19 October 2020 granted approval no. 20-519 by the AMF, prepared in relation to the €50,000,000,000 Euro Medium Term Note Programme of Agence Française de Développement (the "**Issuer**"). The Base Prospectus as so supplemented constitutes a base prospectus for the purpose of Article 8 of the Regulation (EU) 2017/1129 of the European Parliament and of the European Council of 14 June 2017 (the "**Prospectus Regulation**"). This Supplement has been prepared in accordance with Article 23 of the Prospectus Regulation

Application has been made for approval of this Second Prospectus Supplement to the AMF in its capacity as competent authority under the Prospectus Regulation.

This Second Prospectus Supplement has been prepared for the purposes of (i) making various changes to the Base Prospectus related to Brexit (ii) updating the "Risk Factors" section of the Base Prospectus, (iii) incorporating by reference the 2020 Universal Registration Document of the Issuer for the period ended 31 December 2020 and (iv) updating certain paragraphs in the "General Information" section.

Save as disclosed in this Second Prospectus Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus which is material in the context of the Programme since the publication of the Base Prospectus.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this Second Prospectus Supplement.

To the extent that there is any inconsistency between (a) any statement in this Second Prospectus Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Copies of this Second Prospectus Supplement (a) may be obtained, free of charge, at the registered office of the Issuer during normal business hours, (b) will be available on the website of the Issuer (https://www.afd.fr/fr/espace-investisseurs), (c) will be available on the website of the AMF (www.amf-france.org) and (d) will be available during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for collection at the offices of the Fiscal Agent so long as any of the Notes are outstanding.

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CHANGES RELATED TO BREXIT

On 1 January 2021, the transition period came to an end and the United Kingdom officially withdrew from the European Union. Various changes, set out below, need to be made to the Base Prospectus as a result.

- Paragraph eight on the cover page of the Base Prospectus will be deleted and replaced by the following paragraph:

"Application may be made (i) to Euronext Paris S.A. ("**Euronext Paris**") for Notes issued under the Programme during a period of twelve (12) months from the date of approval by the AMF of this Base Prospectus to be listed and admitted to trading on Euronext Paris and/or (ii) to any other Regulated Market (as defined below) situated in a Member State of the European Economic Area (the "**EEA**") for Notes issued under the Programme to be listed and admitted to trading on such Regulated Market. Euronext Paris is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments, as amended, ("**MiFID II**") appearing on the list of regulated markets issued by the European Securities Markets Authority (a "**Regulated Market**"). However, Notes may be issued pursuant to the Programme which are not listed and admitted to trading on a Regulated Market. The relevant final terms (the "**Final Terms**") (forms of which are contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be listed and admitted to trading and, if so, the relevant Regulated Market in the EEA."

- Paragraph fourteen on the cover page of the Base Prospectus will be deleted and replaced by the following paragraph:

"As of the date of this Base Prospectus, the long-term Issuer Default Rating of the Issuer assigned by Fitch Ratings Ireland Limited, French Subsidiary ("**Fitch Ratings**") is AA and the long-term corporate rating of the Issuer assigned by S&P Global Ratings Europe Limited ("**S&P**") is AA. Fitch Ratings has assigned the Programme an unsecured long-term rating at AA and the Programme has been rated AA by S&P. Credit ratings included or referred to in this Base Prospectus have been issued by Fitch Ratings and S&P. Whether or not each credit rating applied for in relation to the Notes will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**EU CRA Regulation**"), or by a credit rating agency which is certified under the EU CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the Final Terms. The list of credit rating agencies registered in accordance with the EU CRA Regulation is published on the European Securities and Markets Authority's website (the "**ESMA**") (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs). In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation. Notes issued under the Programme may be rated or unrated. The rating of Notes (if any) will be specified in the relevant Final Terms. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency."

- The paragraphs on the EU PRIIPs Regulation and MiFID II Product Governance on page iii of the Base Prospectus will be deleted and replaced with the following paragraphs:

"**PROHIBITION OF SALES TO EEA RETAIL INVESTORS -** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); or (ii) a customer within the meaning of the Directive (EU) 2016/97 on insurance distribution (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET - The Final Terms in respect of any Notes will include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines on MiFID II product governance requirements published by ESMA on 5 February 2018 and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration such determination; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made by all relevant Dealers in relation to each issue about whether, for the purpose of the MiFID II product governance rules under EU Delegated Directive 2017/593 (the "**MiFID II Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor any Dealer nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules. For the avoidance of doubt, the Issuer is not a MiFID II regulated entity and does not qualify as a distributor or a manufacturer under the MiFID II Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes will include a legend entitled "**UK MiFIR Product Governance**" which will outline the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines on MiFID II product governance requirements published by ESMA on 5 February 2018 (in accordance with the FCA's policy statement entitled "*Brexit our approach to EU non-legislative* 5 *materials")*, and which channels for distribution of the Notes are appropriate. Any distributor (as defined above) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor any Dealer nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules"

- The reference to the United Kingdom in paragraph two of "Risks relating to the regulation and reform of benchmarks " in the "Risk Factors" section on page 16 of the Base Prospectus is deleted.

- The references to the United Kingdom in the "Terms and Conditions of the Notes" section on page 33 of the Base Prospectus, are deleted.

- The legends in relation to the PRIIPs Regulation and MiFID II Product Governance in the form of the Final Terms, section beginning on page 67 of the Base Prospectus are deleted and replaced with the following:

"**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 has led to the conclusion that: (i) the target market for the Notes are eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET ASSESSMENT – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 (in accordance with the FCA's policy statement entitled "*Brexit our approach to EU non-legislative materials*"), has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to retail investors in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation."

- The sub-paragraph entitled "2. Rating" of the paragraph "PART B OTHER INFORMATION" of the "Form of Final Terms" section beginning on page 74 of the Base Prospectus is deleted and replaced as follows:

"Rating	[The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]: [S&P: [●]] [Fitch Ratings: [●]] [[Other]: [●]] [[The Credit rating[s] referred to above [has]/[have] been issued by [●] [and [●]], [each of] which is established in the European Union, [is]/[has applied to be] registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the EU CRA Regulation published on the European Securities and Markets Authority's website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).] [The Credit rating[s] referred to above [has]/[have] been issued by [●] [and [●]], [each of] which is established in the United Kingdom and [is]/ [has been] certified under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] [*Need to include a brief explanation of the ratings if this has previsously been published by the rating provider*]

(*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)"

- The reference to the United Kingdom in sub-paragraph entitled "Benchmarks" of the paragraph "PART B OTHER INFORMATION" of the "Form of Final Terms" section on page 76 of the Base Prospectus is deleted.

- The selling restriction in relation to the prohibition of sales to the EEA and United Kingdom retail investors in the "Subscription and Sale" section beginning on page 78 of the Base Prospectus, are deleted and replaced by the following and the heading of the current United Kingdom selling restriction should be re-named "Additional United Kingdom restrictions":

"**Prohibition of Sales to EEA Retail Investors**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to United Kingdom Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA."

- Paragraph 14 "Credit Ratings" in the "General Information" section on page 83 of the Base Prospectus is deleted in its entirety and replaced with the following:

As at the date of this Base Prospectus, the long-term Issuer Default Rating of the Issuer assigned by Fitch Ratings is AA and the long-term corporate rating of the Issuer assigned by S&P is AA. Fitch Ratings has assigned the Programme an unsecured long-term rating at AA and the Programme has been rated AA by S&P. Credit ratings included or referred to in this Base Prospectus have been issued by Fitch Ratings and S&P, each of which is established in the European Union. Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency."

RISK FACTORS

The "Risk factors relating to the Issuer" in the "Risk factors" section on pages 6 to 14 of the Base Prospectus are deleted in their entirety and replaced with the following:

"

I. RISK FACTORS RELATING TO THE ISSUER

AFD's activities focus mainly on the financing of development projects in foreign countries and in the French Overseas Territories. The various risks associated with this financial activity and with the countries of operation must be strictly monitored. These various risk factors are therefore monitored and managed according to the nature of the risk and according to the geographical region concerned. Please note that, although monitored and managed, the risks described below and those corresponding to the classification provided for by the Ministerial Order (*Arrêté*) dated 3 November 2014 cannot be totally eliminated.

<u>Financial risks</u>

Credit risk

Credit risk is defined as the risk of a borrower failing to repay all or some of their loan within the schedule stipulated in the agreement signed with the AFD Group. The level of credit risk (rating) reflects the likelihood of the borrower defaulting on their obligations. This risk is assessed during the credit check and forms the basis of the decision of whether to grant the loan combined with the institution's risk appetite and the system of regulatory and internal operational limits (individual, geographical, sectoral etc.) in place. This level of risk is reassessed periodically, and at least once a year, to identify any degradation of that risk subsequent to the loan being granted and to provision accordingly. This provision is based on the estimated debt recovery rate and is used to calculate the cost of risk of the institution, also factoring in losses.

AFD Group	Balance sheet 31/12/2020	Off-balance sheet 31/12/2020	**Total 31/12/2020**	Breakdown of commitments 31/12/2020
AFD corporate entity				
Non-sovereign financing	13,908	3,101	17,009	32%
of which French Overseas Departments and Collectivities	5,751	503	6,254	12%
of which Foreign Countries and sub-part. Proparco	8,133	2,598	10,731	20%
of which other	25	0	25	0%
Sovereign financing	20,198	11,786	31,984	60%
AFD financing subtotal	34,016	14,887	49,108	93%
Proparco (own behalf)	3,185	625	3,810	7%
GROUP TOTAL	**37,291**	**15,512**	**52,803**	**100%**

Breakdown of credit risks on AFD Group loans by level of risk and associated provisions.

In thousands of euros	Balance sheet 31/12/2020	Off-balance sheet 31/12/2020	**Total 31/12/2020**	Breakdown commitments 31/12/2020
Healthy risk (stage 1)	26,547	12,899	39,446	75%
IFRS 9 provisions	9	4	13	1%
Sensitive risk (stage 2)	9,501	2,482	11,982	23%
IFRS 9 provisions	339	82	421	44%
Doubtful risk (stage 3)	1,244	131	1,375	3%
Individual provisions	532	0	532	55%
TOTAL RISK(1)	**37,291**	**15,512**	**52,803**	**100%**
TOTAL PROVISIONS	**881**	**86**	**966**	**100%**

(1) Including JV loans.

Outstandings in risks categorised as doubtful (stage 3) are limited to 3% of total group outstandings at 31/12/2020 with provision of 39% on average.

Factors affecting credit risk

Owing to its remit and the nature and location of its borrowers in emerging or developing countries, the AFD Group is particularly exposed to macroeconomic fluctuations and geopolitical and regional financial events that may have a significant impact on its activities and financial solvency of borrowers, thus potentially generating a higher risk that is, by nature, more volatile. As an example, the AFD portfolio was successively impacted by the crises in Turkey in 2018, and in Argentina and Lebanon in 2019, which led to most counterparties in the portfolio being downgraded as non-performing loans - primarily those linked to the banking sector which was most affected - and an increase in the associated provision rate. In 2020, AFD's portfolio was impacted by the health crisis. 61 counterparties requested an extension of the maturity date, representing a maturity of €133M.

However, the Group's credit risk is naturally mitigated owing to:

- the global geographical diversity of the portfolio (operations in 93 countries) as presented below, within the framework of the Group's limit system.

Breakdown by geographical area of risks in respect of AFD Group loans

In thousands of euros	Africa Central and Southern Africa	Latin America, Central America and Caribbean	Asia Pacific	Middle East and North - Africa	Europe	Multi-country foreign	French Overseas Departments and Collectivities	**Total**
AFD Sovereign	11,075	5,721	8,592	5,447	1,150	0	0	31,984
AFD non-sovereign	2,365	2,064	890	1,557	909	2,987	6,237	17,009
Proparco	1,120	1,069	466	302	420	420	13	3,810
GROUP TOTAL	**14,560**	**8,854**	**9,948**	**7,306**	**2,479**	**3,407**	**6,250**	**52,803**

- the diversity of the portfolio by counterparty type.

Breakdown of risks on AFD Group loans by counterparty type

Loans *(in millions of euros)*	**31/12/2020**
Local authorities	5,490
Public institutions	29,195
Public financial institutions	3,987
Private financial institutions	4,653
Private non-financial entities	4,021
Public non-financial entities	5,458
TOTAL	**52,803**

- the proportion of the Group's activity in French Overseas Departments and Collectivities for which the associated credit risk is significantly reduced owing to the implicit support of the French state for most of the counterparties in question (local authorities in particular). Risk exposure in French Overseas Departments and Collectivities accounted for 30% of the Group's non-sovereign risk as of end-2020.

The impact of climate risks on credit risk

Owing to its operations in a significant number of countries that are potentially subject to climate risks, AFD is exposed to the impact of climate risk in respect of some of its borrowers which may increase the associated credit risk. As the biggest category of risk associated with climate change, physical risks may have consequences that could affect the real economy and financial institutions. As such, AFD's regulator (French Prudential Supervisory and Resolution Authority) has asked banking and insurance providers to include this aspect in their risk analysis.

As a response, as part of its climate strategy, AFD has taken a proactive approach in order to better factor in these risks in its banking practices. As recommended by the regulator, a mapping of the AFD Group's portfolio exposure to physical climate risks was carried out during 2018 and this exercise led to the development and implementation of a long-term methodology for physical risk assessment.

The sample analysed as part of the initial mapping represents 80% of the AFD Group's loan portfolio as at 31/12/2017, 60% of the total balance sheet and 20% of borrowers, i.e. nearly 200 borrowers analysed. Each borrower was scored on exposure to physical risks, which comprises 5 climate indicators (extreme heat, extreme precipitation, rising sea levels, cyclones, drought).

In total, 63% of borrowers in the sample were assigned at least one point where attention was required, which means that these borrowers have a climate exposure score higher than or equal to the 90^{th} percentile of the AFD sample. 23% of counterparties (17% of outstandings) had 2 points requiring attention and only 6 counterparties (4% of counterparties and 2% of outstandings) had three points requiring attention. Thus, at 31/12/2017, even if the probability of a concomitant occurrence is low, the portfolio identified as having a climate risk amounted to €176M. At this stage, this relative and theoretical climate exposure of the portfolio – not factored into the credit rating for methodological reasons essentially linked to the time horizon - has never resulted in an impact on the risk profile of a counterparty. In order to perpetuate the assessment of physical risks, AFD has developed a specific methodology and operational tools to assess and monitor portfolio exposures or new operations. The purpose of the tools developed is to systematically engage in dialogue with our counterparties to measure their exposure to these risks and to support them in the implementation of any strategies to adapt to physical risks. The inclusion of the analysis of our counterparties' exposure to physical risks in AFD's risk information systems in the first quarter of 2021 completes the system and in the future will provide a better understanding of these risks for the portfolio.

AFD took part in the pilot climate stress exercise organised by the ACPR in the second half of 2020, focusing on transition risk. Preliminary results indicate a relatively low impact of this exercise on AFD's portfolio due to its low exposure to carbon intensive sectors linked to its mandate to ensure that its financing is fully compatible with the provisions of the Paris Climate Agreement.

Climate risk, although relatively low to date, cannot be excluded from the risk factors because the subject is changing rapidly and it has become of major importance in all economic, financial, political and societal spheres. In 2021 AFD will continue its methodological work on the assessment of transition risk in order to integrate it into the risk processes, as was done for physical risks.

Geopolitical and macroeconomic risk

Owing to the scope of its operations, AFD is exposed to the emergence of crises of political or geopolitical origin. This risk may take the form of any national or international political or administrative risks which could result in economic, commercial or financial losses for importers or exporters or businesses with investments overseas. As an illustration, the effects of contagion linked to regional conflicts (Middle East or the Sahel) or the rise of protectionist trading policies (United States and China or Brexit) fall into this category.

Although this type of risk is, by nature, largely exogenous, in making operational decisions, AFD limits its operations in a given region based on the risk appetite framework relating to the risk of concentration[1]. Nevertheless, here is a presentation of assets under management by "economic or geopolitical zone" that could be subject to a massive effect.

	Outstandings (1)	**%**	**Risks**	**%**	**AFD's regions of intervention**
Middle East	1,336	8%	1,651	8%	Egypt, Jordan, Lebanon, Turkey, Yemen
Mercosur	597	3%	972	4%	Argentina, Bolivia, Brazil, Paraguay, Uruguay
ASEAN	467	3%	680	3%	Burma, Cambodia, Indonesia, Laos, Philippines, Thailand, Vietnam
OPEC	462	3%	704	3%	Algeria, Angola, Indonesia, Gabon, Iraq, Nigeria
Sahel	218	1%	257	1%	Burkina Faso, Mali, Mauritania, Niger, Chad

(1) Non-sovereign at end-2020

However, the Group inevitably remains exposed to an exceptional situation that cannot be modelled which could involve the simultaneous emergence of a large number of high-intensity geopolitical crises in regions with significant activity.

Refinancing risk

The AFD Group, including its Proparco subsidiary, does not receive deposits or repayable funds from the public. As its funding model is essentially based on medium and long-term market borrowings, liquidity is a priority in terms of the Group's performance target, which involves keeping the cost of resources under control and minimising the carrying cost.[2]

Changes to AFD's condensed balance sheet are presented below. Most of AFD's funding is from market borrowings.

1 Portfolio risk of a bank arising from its concentration on a single counterparty, sector or country.

2 The carrying cost of a resource is the difference between the cost of financing and interest from investing the resource.

In millions of euros	Acct 31/12/2018	Acct 30/09/2019	Acct 31/12/2019	Acct 31/03/2020	Acct 30/06/2020	Acct 30/09/2020	Var. balance sheet 1 year	Var. balance sheet June - Sept
TOTAL ASSETS	**44 958**	**47 663**	**47 850**	**47 734**	**51 142**	**51 417**	**3 754**	**275**
Gross outstandings	35 736	37 099	38 328	38 942	39 582	40 880	3 781	1 298
(-) individual impairment	*-471*	*-528*	*-539*	*-511*	*-549*	*-605*	*-76*	*-56*
(+) accrued interest	*168*	*277*	*174*	*266*	*171*	*249*	*-28*	*77*
Investment portfolio	764	754	713	714	687	690	-64	3
Short-term cash assets	**5 314**	**6 791**	**6 004**	**4 756**	**7 945**	**7 187**	**396**	**-758**
Equity stakes at cost and in companies accounted for by the equity method	759	865	873	872	858	858	-7	-1
Fixed assets	232	234	227	224	225	224	-10	-1
Accruals and other assets	968	1 387	1 313	1 721	1 812	1 522	136	-290
IMF-PRGF transactions	1 487	785	758	751	410	412	-373	2
TOTAL LIABILITIES	**44 958**	**47 663**	**47 850**	**47 734**	**51 142**	**51 417**	**3 754**	**275**
Borrowings from French Treasury	**1 703**	**1 943**	**1 943**	**1 943**	**2 191**	**2 191**	**248**	**0**
Market borrowings	**32 378**	**34 721**	**35 156**	**34 851**	**38 151**	**38 456**	**3 735**	**305**
Current accounts	**394**	**332**	**470**	**438**	**406**	**390**	**58**	**-16**
Managed funds and government advances	**826**	**1 104**	**904**	**979**	**1 024**	**979**	**-125**	**-45**
Accruals and other assets	1 488	**1 877**	**1 685**	**1 713**	**1 874**	**1 867**	**-10**	**-7**
Provisions	1 204	**1 291**	**1 327**	**1 370**	**1 413**	**1 375**	**84**	**-38**
Provision retained earnings	**5 331**	**5 448**	**5 448**	**5 448**	**5 448**	**5 608**	**160**	**160**
Income FY	**145**	**162**	**160**	**241**	**226**	**139**	**-23**	**-88**
IMF-PRGF transactions	1 487	**784**	**758**	**750**	**409**	**412**	**-372**	**2**

As such, the AFD Group's refinancing risk takes the form of:

- its inability to fund the development of its assets and to repay commitments made at a time when financing or repayments appear;
- its temporary inability to raise capital at a reasonable cost.

While the measures put in place by AFD to guard against the refinancing risk make it possible to limit it, the Group remains subject to systemic crisis situations. If market access, even in the event of systemic crises, seems guaranteed (the 2008, 2012 and 2020 crises did not close access), the impact of refinancing costs is likely to be relatively high in the event of a crisis. At the height of the 2012 crisis, AFD borrowed at Euribor 6 months +1.27%, compared to an average refinancing cost of Euribor 6 months + 0.37% in 2013 under normalised market conditions. This deterioration in refinancing cost can be offset, in whole or in part, in the pricing of asset-based loans. However, given AFD's disbursement profiles, this phenomenon is spread over several half-year periods. The materialisation of the refinancing cost risk increases the Group's profitability risk.

Interest rate risk

The Group does not have a trading book or speculative operations portfolio. As such its interest rate risk is only linked to its credit activity and is part of its "banking book".

Interest rate risk in the banking book refers to current or future risk to which the AFD Group's equity or profits are exposed owing to adverse fluctuations in interest rates which influence the positions of the institution's banking book.

For information, measuring the sensitivity of the economic value of the AFD Group's equity based on six scenarios ("increase in parallel rates", "reduction in parallel rates", "increase in short-term rates", "steeping of the curve", "flattening of the curve") compared to the central scenario indicates that, as of 30 September 2020, the "increase in parallel rates" is the most adverse scenario with a loss of equity value of around €809 million.

Profitability risk

AFD's economic and financial model is built on the principle of moderate profitability and normative pricing in view of its long-term credit activity in favour of entities and projects falling under Official Development Assistance. The normative pricing of its credit activity essentially consists of covering, on the basis of actual costs, the costs of refinancing, operating costs and the cost of risk (estimated over a long historical period).

The Group carries out its mission within the banking regulatory framework applicable to financing companies and in an international environment subject to external crises and shocks.

As this year will have shown, the AFD Group saw a drop of 77% in its net income attributable to owners of the parent, which stood at +€40M at the end of December 2020. The cumulative effect of the increase in one-off provisions (individual, collective and sectoral) for credit risk and the decrease in the valuation of equity investments could not be offset by the increase in credit margins (stickiness and moderation of the price effect).

The probability of recognising negative net income in the event of the emergence of a new global economic and/or financial crisis remains.

This particularity of the economic and financial model is assumed and supported by the French State, AFD's sole shareholder. The impact of such a risk (solvency in particular) is taken into account by the shareholder, as part of the dialogue and medium-term strategic management.

Non-financial risks

Reputational and accountability risk

Reputational risk is a risk resulting from a negative perception (whether justified or not) on the part of AFD's counterparties, its stakeholders, its investors or the regulator, which may adversely affect its revenues, activities and ability to maintain or initiate business relationships, or the continuity of its access to sources of financing, or result in litigation or other onerous legal proceedings.

This reputational risk should be reflected in the accountability expected of AFD in its financing actions from its stakeholders (customers, the French State, citizens) insofar as AFD is the operator of a public policy, that of development aid for France.

It is therefore incumbent upon it to assure its stakeholders that the debt and grant financing it provides meet the objectives and purpose assigned to it. Otherwise, AFD incurs a reputational risk.

For the AFD Group, as for all players in the development sector, reputational risk is among the major risks that could have a significant impact on activities and the economic and financial model. Reputational risk is particularly high for three reasons: first, the purpose of AFD's financing is often to respond to environmental and social challenges in the countries where we operate. These sectors, which affect the most vulnerable populations and areas, are closely monitored by civil society organisations. Finally, the geographical scope of the Group's operations exposes it to certain countries where the business environment is impaired, particularly in terms of corruption and financial security (see below). Finally, owing to its public interest remit as set out in its bylaws and agreements with institutions signed in countries where it operates, the AFD Group has a duty of accountability and to lead by example in implementing the best practices in financing development assistance.

Also, the following are likely to entail a reputational risk for AFD:

- failure to ensure that its customers comply (or that AFD itself complies) with the environmental and social commitments that condition the aid that AFD grants, a point of special attention in civil society with whom AFD has entered into a strategic dialogue;

- the embezzlement of aid for personal gain by the client (fraud, corruption, money laundering) or simply the misappropriation of it from its contractual point of assignment (non-compliance with the purpose of the financing) or that aid ultimately ends up in the hands of terrorists, given the regions where the AFD Group operates;

- failure to comply with the commitments made in terms of accountability to AFD's stakeholders and the exemplary nature of the actions that guide it.

A reputational attack on its business would have a major impact that would damage the credibility of the AFD Group as an operator, reduce the funding allocated to it and reduce demand among AFD's partners and customers through the loss of trust that would follow.

In addition to quality and risk management requirements, the heart of the procedure for processing and monitoring loans and grants awarded, the Board of Directors which includes, in particular, independent experts from civil society, is an additional bulwark in the event of a failure to identify or measure a risk of this nature.

Risk of misuse of loans, risk of fraud/ corruption, money-laundering and financing terrorism, non-compliance with economic and financial sanctions

As a key player in French public policies in terms of development and international solidarity, the AFD Group is particularly attentive to the proper allocation of its funds and does its utmost to ensure that they serve their intended purpose. This concern is intrinsically linked to its remit as set out[3] in its bylaws and strategic orientations under which its fundamental mission is to combat poverty and promote growth in the countries in which it operates. Corruption, fraud and any form of misuse of public and private assistance would have a significant impact on such missions. The same is true of any financing that would result in the Group inadvertently supporting money-laundering or the financing of terrorism.

The AFD Group operates in a very specific environment: in particular it supports countries that are in crisis, are vulnerable, have limited capacity and/or are stigmatised in the corruption perception index produced by civil society[4]. It often supports weak public contracting authorities, in areas of public finances where the regulatory environment is weak or, in a number of countries, operates in sectors, particularly banking and finance, that are weak or lack maturity in terms of regulation and control.

The Group also grants funding in countries that are subject to international, EU or domestic economic and financial sanctions.

The AFD Group is particularly aware of the specific features of this operational context.

Despite this robust set of risk-management measures, the Group may be faced with the predation of its funding or could inadvertently support money laundering or the financing of terrorism. This situation could give rise to a significant legal and financial risk for the Group and damage its image and reputation, the impact of which is detailed above. To date, the AFD Group is not facing any litigation in France or overseas for non-compliance on financial security, corruption or noncompliance with sanctions.

IT and cyber risk

As is the case of all financial institutions, AFD's exposure to the risk of data breaches, cyber-crimes or IT failures has increased in recent years due to a combination of a number of factors: the mass outsourcing of IT solutions and services; the increase in the number of cyber-attacks, the modus operandi of which are increasingly elaborate; and finally, the ambition of the AFD Group to become a "digital donor" by 2022. The digital transition has indeed been identified as one of the six major transitions introduced as part of the Strategic Orientation Plan for 2018-2022 and changes made since, particularly the mass introduction of paperless documents and processes, have increased the Group's reliance on IT resources.

The Group cannot completely eliminate risks of the malfunction or outage of its systems, failure of its IT providers or malicious acts on the part of its own employees or third parties (particularly the risk of leaks of confidential data in the event of piracy and the risk of destruction of data centre software). Although, to date,

AFD has never been the victim of a cyber-attack on this scale, were these risks to materialise, they would have significant impacts on the Group's activity, its reputation (in the case of a leak of confidential or personal data for example), on its ability to respond to certain regulatory requirements and engender non-negligible financial losses (in the event of a misuse of AFD funds for example, or an IT risk exposing AFD to a fine).

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3 According to AFD's bylaws (Article R5 15-6 COMOFI): "The Agency is a State-owned industrial and commercial public undertaking, whose missions and organisation are set out in this section. Its mission is to carry out financial transactions of all kinds with a view to: a) contributing to the implementation of the State's foreign aid policy; b) contributing to the development of French Overseas Departments and Collectivities as well as New Caledonia. To this end, it finances environmentally-friendly development operations and may conduct other activities and services linked to its role. In particular, it is responsible for directly or indirectly providing technical expertise to its beneficiaries. The Agency is subject, for activities within its remit, to the provisions of this Code."

4 MINKA zone countries: countries of the Sahel, countries around Lake Chad, Central African Republic, and Middle East 90 2020 UNIVERSAL REGISTRATION DOCUMENT www.afd.fr 4 RISK MANAGEMENT Risk factors

In addition to the consequences of the risk of a cyber-attack, the AFD Group is beginning to overhaul the part of its IT system linked to the Finance and Risk functions, with a dual objective of making efficiency savings and developing functionality tailored to future regulatory requirements and expansion.

Diagnostics, encryption, phasing and allotment for this project were carried out in 2019. The roll-out began in 2020 and is expected to take 5 years. Completion by project cluster is taking place in progressive stages since 2020 to allow the delivery of new tools and/or the upgrading of existing tools. As with any other transformation, it carries a risk, particularly in terms of staying on budget and meeting deadlines. Specific governance involving the Executive Committee and a dedicated programme team reporting to Senior Management and the loan of full-time teams attest to the strengthened management to meet these challenges.

Regulatory risk

Changes to the regulatory and legislative environment may have a significant impact on the AFD Group's operations.

Changes to European or French financial regulation legislation resulting in a significant increase in the capital required for AFD's banking activities could have significant impacts for the AFD Group. Firstly, a strategic impact on the programme of activities with the withdrawal of, or significant reduction in, certain types of products, combined with an impact on the model linked to the reallocation of human resources towards other activities/ products. Nor should the risk of an impact on profitability be ruled out. Profitability may be affected by increased expenditure, particularly following new capital expenditure and new resources put in place to limit operational risk linked to the introduction of new standards which could not be implemented on a like-for-like basis. Changes to the legislative framework remain largely unforeseeable like the introduction of Basel III, following the financial crisis. Whilst there is a high likelihood of such changes in the future, it is impossible to assess in advance the nature and scope of these.

Health and safety risks

Risks related to the spread of a global epidemic

The current health crisis linked to covid-19 is an example of this type of risk. Even if changes are still uncertain, the expected impact could be threefold:

– **a potential impact on the achievement of the AFD Group's annual business programme**, resulting from prolonged restrictions on travel and lockdown measures associated with this type of health crisis which have slowed down appraisal missions; despite the introduction of teleworking, videoconferences and relaying in the field (finalisation of the roll-out plan for the 17 Regional Departments) this could also result from the reduced capacity of our counterparties to work jointly with AFD on the appraisal and implementation of projects and financing. This negative impact on the initially planned business plan could, however, be mitigated by the responses AFD is working on to deal with the health crisis in its areas of operation; the magnitude (areas affected) but especially the duration of the crisis will be the two determining factors of the final impact. In 2020, the Group's activity was down €2.08bn compared to 2019. While this decrease is mainly due to i) a decrease in lending activity of nearly €1bn in line with the objectives set by the business plan, 2020 being a year of consolidation after an exceptional 2019; but also impacted by the health crisis, ii) a €0.6bn decrease in the amount of grants made available to the Agency, and iii) a decrease in Proparco's activity of €0.5bn;

– **the weakening of certain portfolio counterparties** following the spread of the health crisis in the global economy, but above all in emerging and developing economies. The potential impact of this health crisis on the AFD Group's counterparties will, however, depend on its duration, its scale and the budgetary and monetary measures taken by governments and international organisations to support SMEs, public/ private companies and financial institutions; depending on the regulatory and accounting measures that may be taken in the context of the COVID-19 crisis, this weakening could lead to a more or less significant increase in the cost of risk;

A sectoral provision for the impairment of receivables in the loan portfolio is a collective accounting provision for impairment of receivables, allocated to a homogeneous portfolio of performing receivables carried by non-doubtful counterparties in the same sector of activity. Twenty-eight counterparties are concerned for an exposure of €574M and provisions in the amount of €108M including sectoral provisions and of €29M excluding sectoral provisions;

– **the health risks for employees and their families**. Across its French sites, the AFD Group ensures strict and immediate compliance with the recommendations made by the government and the public health agencies. Overseas, the situation is managed on a case-by case basis, particularly on the basis of the recommendations of the French Ministry of Europe and Foreign Affairs and the recommendations of the local authorities. A crisis unit was set up when French authorities moved to stage 2 and the recommendations were circulated and applied in real time. On 16 March 2020, AFD launched its Business Continuity Plan (BCP) for its sites in mainland France.

In terms of impact on AFD's countries of operation, one can anticipate significant economic

– developing and emerging countries could face an increase in the risk aversion of international investors, which could lead to rapid capital outflows as materialised in March/April 2020.

– These capital repatriations would lead to a sharp correction of the main currencies under flexible exchange rate regimes such as stock market indices and the access of emerging countries to the international financial markets could again be put under pressure;

– the deterioration in the health of the headcount and the measures to prevent the spread of the virus (lockdown, quarantine) could slow down or shut down production systems, with significant consequences for the fabric of companies - particularly SMEs and the informal sector - and therefore on employment and public finances through the decline in tax revenues;

– the impact could also be significant for commodity-exporting countries, and primarily oil-producing countries exposed to the double impact on demand and supply which has lowered oil prices below their level of 2019 (the AFD Group has sovereign outstandings of €1,010M in oil-exporting countries such as Algeria, Congo, Ecuador, Gabon and Nigeria). The impact should also prove to be significant for countries that are highly dependent on tourism-related revenues (the sovereign debt on countries whose tourism accounts for more than 20% of export revenues, namely Egypt, Ethiopia, Jordan, Lebanon, Morocco, Mauritius and Sri Lanka, amounted to €3,158M).

In terms of non-sovereign outstandings, the impact could be significant in the tourism and aviation sectors (the Group's exposure in this sector amounts to around €574M), and the financial sector (Group outstandings of €6,813M, of which €544M in French Overseas Departments and Collectivities and €6,269M in Foreign States).

Risks linked to employee security

Owing to the geographical scope of its operations and locations, AFD is particularly vigilant to risks faced by employees on the ground. In addition to staff recruited locally, AFD sends employees overseas either as expatriates or on assignment, for the purposes of local representation and to monitor financing projects. Employees working in the network (staff recruited locally and expatriated) account for around a third of AFD's total headcount. AFD operates in 115 countries. This means it is liable as an employer irrespective of the extent of existing risks on the ground.

These risks vary in nature according to the country: climate risks, seismic or volcanic risks, risks of accidents (traffic accidents in particular), risks linked to inadequate public health and safety infrastructure. But the biggest risks remain the risk of political instability and terrorism (attacks, kidnapping, uprisings etc.).

Indeed, AFD is present in certain regions that are particularly exposed (Sahel, Iraq, Palestinian Territories, Pakistan etc.), in which the risk of danger to its employees is deemed to be very high, despite the operational security measures in place and continuously adapted to changing contexts of vulnerability or crisis. Certain events could lead AFD to reduce its activities in certain countries, to rely on degraded systems (as in the case of China – early 2020 – where the Beijing local office had to introduce remote working methods faced with the confinement of Chinese employees imposed by local authorities as a response to the coronavirus epidemic), or even to close certain local representations (as was the case briefly in Haiti - at the end of 2019 – where, as a response to a deteriorating security context, AFD decided to close its local office in Port-au-Prince so as not to expose its staff).

Risk of a 100-year flood

The 100-year flood is a major flood which has a one in one hundred chance of occurring each year. It is characterised by slow floods (10 to 15 days of floods, or even more before the water level drops) of which the biggest was in 1910 (+8.62 metres). AFD is exposed to this risk since its registered office, made up of a number of buildings, is located in Paris, not far from the Seine. The AFD buildings, which comprise a number of storeys and basements, are located less than 400 m from the bed of the Seine, and is in an area where, according to the City of Paris's Flood Risk Prevention Plan, water would exceed 30 metres in the event of a 100-year flood. In the event of a flood like the one in 1910, the ground floor of AFD's main building would be overrun with almost 60 cm of water and the basements submerged. As for the lowest point of the streets around the building, maximum water levels could reach over 1.5 m. Such flooding would prevent staff from accessing buildings and result in the temporary suspension of certain activities.

"

DOCUMENTS INCORPORATED BY REFERENCE

The section "Documents Incorporated by Reference" appearing on pages 23 to 28 of the Base Prospectus is hereby deleted and replaced by the following:

"This Base Prospectus shall be read and construed in conjunction with the information contained in the sections of the documents mentioned below which is incorporated in, and shall be deemed to form part of, this Base Prospectus. Only the sections referred to below shall be deemed as incorporated by reference in, and form part of, this Base Prospectus. The non-incorporated parts of the documents mentioned below are either not relevant for the investors or covered elsewhere in this Base Prospectus.

(a) the sections referred to in the table below included in the *Document d'Enregistrement Universel* in the French language relating to the Issuer filed with the AMF on 20 April 2021 under no. D.21-0333 (the "**2020 Universal Registration Document**"), which contains the audited consolidated financial statements of the Issuer as at, and for the year ending, 31 December 2020 **(**https://www.afd.fr/fr/ressources/document-enregistrement-universel-2020?origin=/fr/ressources-accueil**)**;

(b) the sections referred to in the table below included in the *Document d'Enregistrement Universel* in the French language relating to the Issuer filed with the AMF on 21 April 2020 under no. D.20-0328 (the "**2019 Universal Registration Document**"), which contains the audited consolidated financial statements of the Issuer as at, and for the year ending, 31 December 2019 (https://www.afd.fr/fr/ressources/document-denregistrement-universel-2019);

(c) the sections referred to in the table below included in the *Document de Référence* in the French language relating to the Issuer filed with the AMF on 25 April 2019 under no. D.19-0388 (the "**2018 Registration Document**"), which contains the audited consolidated financial statements of the Issuer as at, and for the year ending, 31 December 2018 (https://www.afd.fr/fr/ressources/document-de-reference-2018);

(d) the section "Terms and Conditions of the Notes" contained in the base prospectus of the Issuer dated 15 June 2016 which received the visa no. 16-0252 on 15 June 2016 from the AMF (the "**2016 Base Prospectus**") (https://www.afd.fr/sites/afd/files/2017-07/AFD-Base-Prospectus-2016.pdf);

(e) the section "Terms and Conditions of the Notes" contained in the base prospectus of the Issuer dated 9 June 2017 which received the visa no. 17-0265 on 9 June 2017 from the AMF (the "**2017 Base Prospectus**") (https://www.afd.fr/sites/afd/files/2017-07/AFD-Base-Prospectus-2017.pdf);

(f) the section "Terms and Conditions of the Notes" contained in the base prospectus of the Issuer dated 22 May 2018 which received the visa no. 18-192 on 22 May 2018 from the AMF (the "**2018 Base Prospectus**") (https://www.afd.fr/sites/afd/files/2018-05-04-55-51/AFD-EMTN-programme-2018-base-prospectus.pdf); and

(g) the section "Terms and Conditions of the Notes" contained in the base prospectus of the Issuer dated 17 May 2019 which received the visa no. 19-212 on 17 May 2019 from the AMF (the "**2019 Base Prospectus**") (https://www.afd.fr/sites/afd/files/2019-06-04-05-52/communication-financiere-afd-programme-emtn.pdf).

The 2020 Universal Registration Document, the 2019 Universal Registration Document and the 2018 Registration Document have been previously published and have been filed with the AMF for the purpose of the Prospectus Regulation. The 2020 Universal Registration Document, 2019 Universal Registration Document and the 2018 Registration Document shall be incorporated in and form part of this Base Prospectus, save that:

(a) the non-incorporated parts of the 2020 Universal Registration Document, the 2019 Universal Registration Document and the 2018 Registration Document are either not relevant for investors or are covered elsewhere in the Base Prospectus;

(b) any statement contained in the 2020 Universal Registration Document, the 2019 Universal Registration Document and the 2018 Registration Document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that (i) a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise) or (ii) it is modified or incorporated by way of a supplement prepared in accordance with Article 23 of the Prospectus Regulation. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus; and

(c) The sections entitled "Terms and Conditions of the Notes" set forth in the 2016 Base Prospectus, the 2017 Base Prospectus, the 2018 Base Prospectus and the 2019 Base Prospectus are incorporated by reference in this Base Prospectus for the purpose of further issues of Notes to be assimilated (*assimilées*) and form a single series with Notes already issued under the 2016 Base Prospectus, the 2017 Base Prospectus, the 2018 Base Prospectus and the 2019 Base Prospectus only.

Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Base Prospectus (including, for the avoidance of doubt, any information on the websites which appear in the documents incorporated by reference) refers does not form part of this Base Prospectus and has not been scrutinised or approved by the AMF.

For so long as Notes may be issued pursuant to this Base Prospectus, the 2020 Universal Registration Document, the 2019 Universal Registration Document and the 2018 Registration Document will be available free of charge, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection and for collection at the office of the Fiscal Agent and the Paying Agents and on the website of the Issuer (http://www.afd.fr/home/AFD/finances). For so long as Notes may be issued pursuant to this Base Prospectus, the 2020 Universal Registration Document, the 2019 Universal Registration Document and the 2018 Registration Document will be available on the website of the AMF (www.amf-france.org).

The Final Terms related to the Notes admitted to trading on Euronext Paris will be published on the websites of (x) the AMF (www.amf-france.org) and (y) the Issuer (http://www.afd.fr/home/AFD/finances). If the Notes are admitted to trading on a Regulated Market other than Euronext Paris, the relevant Final Terms will provide whether additional methods of publication are required and what they consist of.

The relevant documents and page references for the information incorporated by reference herein in response to the specific requirements of Annex 7 of Commission Delegated Regulation 2019/980 are as follows:

Information incorporated by reference

Rule	**Information**	**Page in 2020 Universal Registration Document**	**Page in 2019 Universal Registration Document**
4	**INFORMATION ABOUT THE ISSUER**		
4.1	History and development of the Issuer		

Rule	Information	Page in 2020 Universal Registration Document	Page in 2019 Universal Registration Document
4.1.1	The legal and commercial name of the Issuer	Page 10	
4.1.2	The place of registration of the Issuer, its registration number and legal entity identifier ('LEI').	Page 10	
4.1.3	The date of incorporation and the length of life of the Issuer, except where the period is indefinite.	Page 10	
4.1.4	The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer, if any, with a disclaimer that the information on the website does not form part of the Base Prospectus unless that information is incorporated by reference into the Base Prospectus.	Page 10	
4.1.5	Any recent events particular to the Issuer and which are to a material extent relevant to an evaluation of the Issuer's solvency.	Pages 110 to 111	
5	**BUSINESS OVERVIEW**		
5.1	Principal activities		
5.1.1	A brief description of the Issuer's principal activities stating the main categories of products sold and/or services performed.	Pages 12 to 14	
5.1.2	The basis for any statements made by the Issuer regarding its competitive position.	N/A	
6	**ORGANISATIONAL STRUCTURE**		
6.1	If the Issuer is part of a group, a brief description of the group and the Issuer's position within the group. This may be in the form of, or accompanied by, a	Pages 17 to 20	

Rule	Information	Page in 2020 Universal Registration Document	Page in 2019 Universal Registration Document
	diagram of the organizational structure if this helps to clarify the structure.		
9	**ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES**		
9.1	Names, business addresses and functions within the Issuer of the following persons and an indication of the principal activities performed by them outside of that Issuer where these are significant with respect to that Issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	Pages 70 to 75	
9.2	Administrative, management, and supervisory bodies conflicts of interests. Potential conflicts of interests between any duties to the Issuer, of the persons referred to in item 9.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.	Page 76	
10	**MAJOR SHAREHOLDERS**		
10.1	To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	Page 10	
11	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**		

Rule	Information	Page in 2020 Universal Registration Document	Page in 2019 Universal Registration Document
11.1	Historical financial information		
11.1.1	Historical financial information covering the latest two financial years (at least 24 months) or such shorter period as the Issuer has been in operation and the audit report in respect of each year.	Pages 112 to 209	Pages 103 to 202
11.1.3	Accounting standards	Pages 128 to 129	Pages 117-118
11.1.4	Where the audited financial information is prepared according to national accounting standards, the financial information must include at least the following:		
	(a) the balance sheet;	Pages 120 to 121	Pages 110 to 111
	(b) the income statement;	Page 122	Page 112
	(c) the accounting policies and explanatory notes.	Pages 126 to 168	Pages 116 to 161
11.1.5	Consolidated financial statements If the Issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.	Pages 120 to 126	Page 110 to 116
11.1.6	Age of financial information The balance sheet date of the last year of audited financial information may not be older than 18 months from the date of the registration document	Page 120	Page 110
11.2	Auditing of historical financial information		
11.2.1	The historical financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2014/56/EU and Regulation (EU) No 537/2014.	Pages 169 to 173	Pages 162 to 166

Rule	Information	Page in 2020 Universal Registration Document	Page in 2019 Universal Registration Document
11.3	Legal and arbitration proceedings		
11.3.1	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the Issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	Page 105	

Terms and Conditions incorporated by reference	Page reference
Base Prospectus dated 17 May 2019	Pages 20 to 47
Base Prospectus dated 22 May 2018	Pages 17 to 40
Base Prospectus dated 9 June 2017	Pages 22 to 46
Base Prospectus dated 15 June 2016	Pages 54 to 78"

GENERAL INFORMATION

- Paragraph 5 of the General Information section on page 81 of the Base Prospectus shall be deleted in its entirety and replaced with the following new paragraph:

"Save as disclosed in this Base Prospectus, there has been no significant change in the financial position or financial performance of the Issuer or the Group since 31 December 2020"

- Paragraph 6 of the General Information section on page 81 of the Base Prospectus shall be deleted in its entirety and replaced with the following new paragraph:

"Save as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2020"

PERSONS RESPONSIBLE FOR THE INFORMATION
GIVEN IN THIS SECOND PROSPECTUS SUPPLEMENT

In the name of the Issuer

To the best knowledge of the Issuer, the information contained or incorporated by reference in this Second Prospectus Supplement is in accordance with the facts and contains no omission likely to affect its import.

Agence Française de Développement
Represented by Thibaut MAKAROVSKY
Head of Treasury and Capital Markets
12 May 2021

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

Autorité des marchés financiers

This Second Prospectus Supplement has been approved on 12 May 2021 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this Second Prospectus Supplement after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval is not a favourable opinion on the Issuer and on the quality of the Notes described in the Second Prospectus Supplement.

This Second Prospectus Supplement obtained the following approval number: n°21-157.